



Homekey Project

Frequently Asked Questions (FAQs)

Updated February 7, 2022

The City of Fremont has submitted a grant application to the State of California to secure Homekey Round 2 funding to convert the Motel 6, located at 46101 Research Ave., to a 156-room affordable housing apartment complex. If the project is awarded Homekey funding, the site would be purchased by developer Shangri-La Industries and the existing motel rooms would be converted to apartment micro-units with kitchenettes. The target population for this affordable housing project would be acutely low-income residents with a household income of 15% or less of the area median income who have connections to the Tri-Cities (Fremont, Newark, or Union City). Property management staff would be living at the property, and supportive services would be provided on site by service provider Step Up. This project would be permanent affordable housing and not a homeless temporary shelter. Tenants would pay rent. This FAQs document has been developed to help share information about the project and answer community questions.

Within this document, you will find information on several key areas:

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SECTION 1: HOMEKEY PROJECT OVERVIEW

Q1. What is the State's Homekey program?

In June 2020, the State announced [Homekey](#) as the next phase of a COVID-19 response to protect homeless Californians. The Homekey program provides an opportunity for state, regional, and local public entities to develop a broad range of permanent or interim housing for acutely low-income community members. To date, over \$800 million in funding has been provided for 94 Homekey projects across California, resulting in over 6,000 units of affordable housing.

Due to its success, in September 2021, the State invited local jurisdictions to apply for Homekey Round 2 funding. The Bay Area's allocation is approximately \$200 million. The funding is available until May 2022 or until funds are exhausted, whichever comes first. Funds from this program must be used to provide affordable housing for individuals and families experiencing homelessness.

On January 18, 2022, during its regularly scheduled public meeting, the Fremont City Council voted unanimously to apply for a \$40.2 million Homekey grant. The funding is for the purchase of Motel 6, located at 46101 Research Ave., and to convert the property from a motel to approximately 156 apartment units of permanent affordable housing for those who meet the criteria of being acutely low-income, which includes most homeless individuals or those at risk of becoming homeless.



Motel 6, 46101 Research Ave., Fremont

Q2. Why is the City applying for Homekey funds?

The Homekey program provides the City with one of the most significant funding opportunities available to date from the State to expand affordable housing and to help address homelessness in Fremont, which remains a top priority of the Fremont City Council.

Shelter Crisis

On September 18, 2018, the Fremont City Council declared a shelter crisis due to the significant number of persons in Fremont without the ability to obtain shelter, resulting in a threat to their health and safety.

Lack of Affordable Housing

Since 2019, shelter and affordable housing resources have not kept pace with the need of people seeking them. Although the bi-annual Homeless Count was postponed in 2021, homelessness in Fremont has likely increased because of the continued insufficient shelter and housing resources, coupled with the overall impacts of the COVID-19 pandemic on income and employment.

Availability of affordable housing is a major issue in the entire Bay Area, including Fremont. Since 2015, over 900 units of affordable rental housing have been approved in Fremont. While this is the largest addition of affordable housing in any comparable time period in Fremont's history, it still falls short of the city's share of the regional need for affordable housing as determined by State and regional agencies (3,618 affordable units for 2015–2023). Since affordable housing developments charge rents that are lower than the rents in market-rate developments, they typically cannot be built without a subsidy. When a project serves acutely low-income residents who earn 15% or less of the [area median income](#), the subsidy is especially significant. Securing funding to provide this subsidy is one of the constraints to creating affordable housing serving residents at this income level, residents whose income may be constrained by disability or age, for example. The Homekey project is a significant new funding source that, if the City's grant application is successful, would allow Fremont to create more affordable housing for those with most limited incomes.

Increase in Homeless Population

In 2019, the [Alameda County Point-in-Time Homeless Count](#) found that 608 people in Fremont were experiencing homelessness, a 27% overall increase when compared to 2017. Of those counted in 2019, 485 were unsheltered, meaning they resided in places not meant for human habitation like vehicles or outdoor tents, a 72% increase when compared to 2017. The 2019 Count also found the number of sheltered individuals had decreased by 38%, which indicates a loss in shelter. The next Point-in-Time Count is scheduled for February 23, 2022, with data expected to be available by early summer of 2022.

Q3. How was the Motel 6 site in Fremont selected to be a Homekey project?

City staff issued a request for information/proposals for developers and service providers to partner with the City on a Homekey application. A proposal was received from housing developer [Shangri-La Industries](#) and service provider [Step Up](#). In their proposal, they identified four potential Fremont hotel properties for conversion to permanent affordable housing apartments for acutely low-income residents (homeless). After a thorough review, staff determined that the Shangri-La/Step Up development team was qualified to partner with the City on a Homekey project. With the assistance of an outside consultant, staff reviewed the proposed properties and evaluated them based on financial feasibility and access to resources (locational criteria). After careful review, staff selected the Motel 6 site, located at 46101 Research Ave., for their recommendation to the Fremont City Council. Motel 6 was recommended for the following reasons:

- The cost per unit for construction and renovation was the lowest at the Motel 6 among the four projects.
- The City's per unit obligation for operations and supportive services at the Motel 6 property was the lowest of the four sites.
- Motel 6 offers the highest number of units, allowing more individuals to be served, therefore having the biggest impact of any of the potential projects on increasing affordable housing units for acutely low-income residents.

- Motel 6 scored the highest in locational criteria—a combination of criteria established by the State and criteria that was similar to what the City used in selecting a location for the Fremont Housing Navigation Center.
- Pursuant to a review by the Fire Marshal, the two properties east of I-880 (Motel 6 and Days Inn) raised fewer concerns about industrial uses and the potential of hazardous materials conflicting with residential uses than the two properties west of I-880.

On January 18, 2022, the Fremont City Council was presented information about the project and the funding opportunity. At the conclusion of the presentation, the Council voted unanimously for the City to apply for a \$40.2 million Homekey grant to purchase the Motel 6, located at 46101 Research Ave., and convert it to 156 permanent affordable housing apartment units for acutely low-income residents (homeless or people at risk of becoming homeless).

The Council also authorized the City to enter into an agreement with housing developer Shangri-La Industries for them to acquire, rehabilitate, and own the Motel 6 Homekey project in Fremont. The agreement also includes partnering with service provider Step Up who would operate/manage the property and provide supportive services to tenants needing assistance in maintaining important daily life skills and remaining successfully housed.

For more information about the selection process, including analysis of the four locations, read the City's [staff report](#).

Q4. What is the scope of the proposed Motel 6 Homekey project?

The Motel 6, located at 46101 Research Ave., is currently a 159-room hotel. If the project receives Homekey funding, the site would be purchased by Shangri-La Industries and converted into permanent affordable housing. The existing rooms would be converted to apartment micro-units with kitchenettes. The target population for this affordable housing project would be acutely low-income residents earning 15% or less of the [area median income](#) (chronically homeless) who have connections to the Tri-Cities (Fremont, Newark, or Union City). Property management staff would be living at

the property and supportive services would be provided on site by service provider Step Up. This project would be permanent housing, guaranteed to remain affordable for 55 years, and not a temporary shelter. All tenants living at the property would pay rent based on their income level, just like tenants in other affordable housing units throughout the city.

Q5. What public outreach did the City do prior to the City Council's consideration of the Homekey project?

Two public meetings were held in relation to this project. Because the funding for the project includes federal Community Development Block Grant (CDBG) funds, City staff presented the proposed project to the CDBG Citizens Advisory Committee on January 6, 2022. This was a public meeting, noticed to the public, and held virtually. The Committee voted unanimously to recommend the use of CDBG funds for the project.

Prior to the City Council's consideration of the project at their regularly scheduled meeting on January 18, 2022, the City publicized the agenda, and additional announcements regarding the Council meeting were shared through City communication channels including the [City website](#), [Fremont Connection weekly digital newsletter](#), social media accounts ([Facebook](#), [Twitter](#), and [Nextdoor](#)), and email blasts to community groups and the City's [Homelessness Interest List](#).

During the meeting, several members of the public had the opportunity to participate and provided their comments during the public comment portion of the agenda. Those who were not able to attend the meeting were able to email their public comments to the City Clerk's Office ahead of the meeting. This information is available in the [City Council Agenda Center](#) under the [January 18, 2022 City Council Meeting Documents](#). A video recording of the meeting is also available [here](#).

It is important to note that the conversion of the site from a motel to an affordable housing apartment project does not require a City zoning change, and no additional City Council meetings on this topic are planned.

Q6. What is the expected timeline for the Homekey Project at Motel 6 if State funding is awarded?

January 6, 2022 – CDBG Citizens Advisory Committee Meeting

January 18, 2022 – Fremont City Council Approves Motel 6 Homekey Project

January 27, 2022 – Homekey Grant Application Submitted to State

March 2022 (TBD) – Expected Notification of Funding from State

March 2022 – Shangri-La Industries Purchases Motel 6 Property

April 2022 to March 2023 – Renovations

March 2023 – First Residents Move-in

Q7. Fremont already has a homeless shelter and a Housing Navigation Center, so why does Fremont need a Homekey project?

There are not enough permanent affordable housing units available in Fremont to house those who currently seek assistance and shelter at these current facilities or who may currently live in vehicles because they have been forced out of the high-cost housing market. Both Sunrise Village (a homeless shelter operated by the nonprofit Abode Services) and the Housing Navigation Center (HNC) (a center where homeless individuals reside for up to six months) are temporary places for unsheltered people to stay while they work to transition to permanent housing. The Motel 6 Homekey project would convert the existing motel into a new apartment building where income-eligible residents would have stable and affordable permanent housing as well as on-site services if needed. People currently living in temporary housing, such as the HNC or Sunrise Village, could potentially be applicants for the permanent housing opportunity the Motel 6 Homekey project would provide.

Q8. Is the Homekey project the same as a homeless shelter?

No. Homeless shelters are intended for people to have a safe place to stay off the street and out of the elements on a temporary basis. The proposed Homekey project would provide tenants with permanent affordable housing.

SECTION 2: SIMILAR HOMEKEY/AFFORDABLE HOUSING PROJECTS

Q9. Have similar projects in other cities proven successful?

Step Up, the City's partner and service provider for the Homekey project, has a long track record of successful motel conversion projects in communities similar to Fremont. Step Up's first motel conversion was in Santa Monica in 2009. Since then, Step Up has opened similar projects across Southern California and manages 21 projects across the United States.

Step Up projects have been reported as assets in other communities. These projects become fully integrated in the community, seamlessly transforming from motels/hotels to attractive apartment complexes. In 2013, a motel conversion project, Step Up on Vine, opened in Hollywood near Vine St. and Hollywood Blvd. The project is located next to a preschool and one block from an elementary school. Both schools supported the project, and all have been operating for several years in mutual support.

The State's Homekey program has demonstrated that converting motels into permanent affordable housing has worked well across California. With Step Up, the City would be partnering with one of California's foremost experts on motel conversions.



Step Up on Vine, 1057 N. Vine St., Hollywood

Q10. How are similar projects in Fremont currently helping the homeless?

To date, the [Fremont Housing Navigation Center \(FHNC\)](#), operating at a reduced capacity due to the COVID-19 pandemic, has served 66 individuals, all of which were living in Fremont, Newark, or Union City prior to their stay. Most program residents (68%) had experienced homelessness for a year or more before transitioning to the FHNC. Of the 47 residents who have exited the program during the first year, 66% found stable housing and 46% obtained employment. Residents stayed an average of six months or less. For more information, read the [FHNC Annual Report](#).

Sunrise Village, operated by Abode Services, is an emergency and transitional homeless shelter for individuals and families. It includes 66 beds, but space has been currently reduced due to the COVID-19 pandemic. The shelter provides case management, job counseling, support groups, housing navigation, and other services. This is a residential program, and the length of stay is evaluated weekly as participants continue to work on their goals. Residents are not required to check in daily.

In addition to these two facilities, the City has pursued numerous strategies to provide resources and shelter to unhoused residents. These efforts have included the adoption of ordinances to allow faith-based organizations to provide [Safe Parking](#) within their facilities, the roll-out of the [CleanStart Mobile Hygiene Program](#), the expansion of the Winter Warming Center into a Winter Shelter and now a [Winter Relief Program](#), and the creation of the temporary Islander Motel Shelter Program.

Q11. Where is affordable housing already located in Fremont?

The City's [Affordable Housing Map](#) shows the location of existing and planned affordable housing projects in Fremont. Several projects in the development pipeline have units dedicated to residents with incomes at or below 20% of the [area median income](#), totaling almost 100 units. The developments tend to be focused in areas that have easy access to public transportation and services. In Fremont, those areas are Centerville, Irvington, Warm Springs, and City Center.

SECTION 3: HOMEKEY PROJECT FUNDING

Q12. How much money would the City be spending on the Homekey project? How does that compare to other affordable housing projects?

In the City's Homekey application, the acquisition and rehabilitation of the Motel 6 is valued at \$31.8 million. The City is also eligible to apply for two years of operating funding valued at \$5.24 million. In addition, the application may be eligible to receive an early application bonus valued at \$1.56 million and an expedited occupancy bonus, also valued at \$1.56 million, for a total possible award of \$40.16 million.

In the City's Homekey application, the City must also identify funding for five years of operation. To operate the Motel 6 property, the total amount for the City to contribute is valued at \$14.6 million. As noted above, \$5.24 million of this amount would be provided by the State as part of the Homekey grant. Most of the rest of the funding would likely come from other federal, State, and County grants. The Homekey project would require minimal investment from the City compared to most affordable housing developments in Fremont.

Also, providing permanent affordable housing for the chronically homeless would likely result in savings in public funds expended on emergency health care services, maintenance and clean up services, public safety, etc.

For more information about the project funding, read the City's [staff report](#).

Q13. Can the City afford the Homekey project?

The Motel 6 Homekey project would be the most cost-effective affordable housing project in Fremont in many years due to the significant State funding available, the likelihood of additional outside funding, and the lower cost of acquiring and rehabilitating hotel rooms than building new units from the ground up.

Q14. Would tenants of the Homekey project pay rent?

In all affordable housing projects, residents are required to pay rent based on their income. For the Motel 6 Homekey project, residents would be required to pay rent that is no more than 30% of their income.

Q15. Would the money the City spends on the Homekey project take away from other City projects and services?

All funds allocated to the Homekey project are restricted funds that can only be used for affordable housing projects or for projects that serve those at risk of homelessness or other low-income residents. The Homekey project would not require any contribution from the City's General Fund.

SECTION 4: HOMEKEY PROJECT TENANTS

Q16. How would tenants be selected for the Homekey project?

The Homekey project is specifically designed to provide permanent housing for individuals who are considered chronically homeless and who are rooted to the Tri-Cities of Fremont, Newark, or Union City. To apply for an apartment at the site, a potential tenant would have to earn 15% or less of the [area median income](#). Affiliation to the Tri-Cities would be required and would be tracked within Alameda County's Homeless Management Information System (HMIS). It would be established in one of two ways: 1) when an individual completes a crisis or housing assessment at an Access Point located in one of the Tri-Cities; or 2) an individual discloses they were previously housed in, went to school in, or were born in Fremont, Newark, or Union City or are employed in one of those cities.

Q17. Would tenants be required to work?

A typical tenant would be earning 15% or less of the [area median income](#). They could be working full-time or part-time, on social security or disability income (Federal Supplemental Security Income (SSI) for one person in 2022 is \$841 a month), or not able to work due to health issues or age.

Q18. If a tenant is unemployed, how would they be expected to pay rent, purchase food, and pay for basic needs?

Tenants would likely have access to a variety of income sources. They may be collecting General Assistance (GA) through Alameda County Social Services. Older adults may be receiving social security. Some may have veteran's benefits, be on unemployment, qualify for Cal Fresh (food stamps), and/or collect disability payments through social security.

Q19. What supportive services would be offered to tenants, and why are they important?

Supportive services are a critical component of this project. Tenants who are formerly homeless need assistance in retaining their housing and becoming re-integrated back into the community. The goal is to avoid a "revolving door" where they return to homelessness. Services are provided on site to those who need them and are offered at no cost. Services are geared toward assisting each tenant individually in improving their independent living skills to meet their life goals, such as furthering their education or obtaining employment, and to support their ability to retain housing. Service coordinators would meet with each tenant to help them develop an individualized service plan informed by their goals. These plans guide service delivery support referrals and coordination when physical health care or mental health services are required. Tenants are encouraged to participate and have a voice in the tenant community to become good neighbors. Step Up, the service provider for the Homekey project, has over 35 years of experience in providing supportive services to formerly homeless individuals. Step Up currently operates with a retention rate of 97% of individuals remaining housed one year after moving into housing.

Q20. Will alcohol or drug use be a factor for selection? Would a person who uses drugs be selected as a tenant?

In screening applicants, Step Up employs a harm reduction model where use of alcohol or drugs would not automatically disqualify someone from tenant selection. Services to support recovery would be offered and encouraged for those who have a substance use problem.

The site would follow a “[Housing First](#)” approach. This approach views housing as the foundation for life improvement and enables access to permanent housing to homeless persons without prerequisites or conditions beyond those of a typical renter.

This approach prioritizes permanent housing for people experiencing homelessness, thus ending their homelessness and serving as a platform from which they can pursue personal goals and improve their quality of life. “Housing First” is guided by the belief that people need basic necessities like food and a place to live before attending to anything less critical, such as getting a job, budgeting properly, or addressing substance use issues. Additionally, the “Housing First” approach is based on the theory that a person’s choice is valuable in housing selection and supportive service participation and that exercising that choice is likely to make that person more successful in remaining housed and improving their life.

Q21. Would a person suffering from mental illness be selected as a tenant?

Homeless persons with mental health issues would be accepted. Mental illness cuts across all socio-economic, ethnic, and cultural boundaries. 21% of adults in this country (1 in 5) experience mental illness at some point in their life.

Support services would be provided to help participants seek appropriate medical care and interventions. With appropriate medication (when needed) and a wide range of services tailored to meet their needs, most people who live with mental health challenges can significantly reduce the negative impacts of their condition and find a satisfying measure of achievement, independence, and well-being. Additionally, there is substantial evidence that once an individual with mental illness is living in permanent housing, many of their symptoms improve or may be mitigated. The stress and fear associated with being unsheltered can exacerbate otherwise manageable conditions.

SECTION 5: COMMUNITY SAFETY

Q22. Did City staff analyze crime data as part of the study for a future Homekey project?

As part of the City's evaluation of the proposed project, the Fremont Police Department analyzed data from the past couple of years regarding police responses at 1) the City's Housing Navigation Center adjacent to City Hall, where homeless individuals reside for up to six months while seeking to secure permanent housing; 2) Sunrise Village, a homeless shelter operated by the nonprofit Abode Services; and 3) the Motel 6, as it operates now. The data concluded that the Motel 6 (operating as a motel) had a significantly higher number of calls for police services than both the Housing Navigation Center and Sunrise Village.

In addition, the Police Department noted that crimes perpetrated by the homeless are often against other homeless individuals or quality of life crimes (e.g., sleeping/camping outside, petty theft for amenities, or trespassing), because they do not have a place to call their own. Permanent affordable housing would provide a safe place to live and help reduce the need to commit crimes.

The Fremont Police Department supports transitioning the current Motel 6 to permanent affordable housing apartments and believes this project would help reduce crime at this specific location.

Q23. What would happen if a tenant became violent or violated property rules?

Step Up would require all residents at the property to follow good neighbor rules. Violence would not be permitted, and a tenant could be evicted should violence occur. The on-site property management and support staff would work closely with the Fremont Police Department if support from law enforcement was needed. The Police Department is invested in the success of programs that help homeless community members and would establish and maintain a relationship with the on-site staff. This has

proven to work with other recent projects such as the Fremont Housing Navigation Center.

Tenants living at the Homekey site would be housed, receiving the supportive services they need, and focusing on their own aspects of daily living. There would be no reason for people from outside the residential development to congregate or gather on the property. The property would look like other apartment complexes within Fremont. The City believes the Homekey project would improve safety in the immediate area.

Q24. Would the exterior of the Homekey project be maintained?

The on-site property management staff would ensure the property is well maintained. Staff would not allow debris to pile up or items to be brought onsite without having a purpose and proper storage.

SECTION 6: NEXT STEPS

Q25. Has the City already submitted its Homekey application to the State?

The application was submitted on January 27, 2022. The application was submitted soon after the City Council's decision to move forward with the project because applications submitted prior to January 31, 2022 are eligible for bonus funding.

Q26. What are the next steps after the submission of the application?

The funding award announcement from the State is expected in March 2022. If awarded, construction of the project would begin as soon as possible, with an anticipated completion date of March 2023. The goal would be to have all units occupied by June 2023.

Q27. Is any additional community outreach planned?

The developer, Shangri-La Industries, and site operator, Step Up, have prepared a [community engagement plan](#) that was submitted to the State as part of the Homekey application. Both organizations value integrating into each community where permanent supportive housing projects are being developed. Step Up would provide informational flyers which would be shared with neighbors in the vicinity of the Homekey project and available to others in the broader community. Step Up staff would be available to answer questions about the project during engagement with local neighbors and by email at stepupinfremont@stepup.org. (Please be advised that the email is for questions regarding the project and services, not for City record requests or other formal requests.) Step Up's history of successful projects and positive relationships with neighbors in the community supports the notion that the Homekey project would enhance the neighborhood and become transparent as the tenants stabilize.

Q28. How do I stay up to date on the Homekey project and other affordable housing programs in Fremont?

For the latest information about Fremont's Homekey project, visit Fremont.gov/HomekeyProject or subscribe to the City's [Homelessness Interest List](#) to receive updates by email. For updates on affordable housing programs in Fremont, visit Fremont.gov/Housing or subscribe to the City's [Affordable Housing Interest Lists](#).